



IMAC Holdings, Inc.

Q4 revenue miss. Major change as company plans to merge with Brain Scientific. Lowering P/T to \$1.50.

COMPANY UPDATE

Rating: BUY

Ticker: BACK

Price: \$0.13

Target: \$1.50
(from \$4.50)

Q4 revenue miss: IMAC recently (on March 31) reported its Q4 2022 (ending December) results. Revenue was \$3.5 million, compared with our estimate of \$4.3 million. Pro forma net loss was \$2.5 million or EPS of \$(0.07), compared with our estimates of \$(0.07). There was no Q4 guidance or consensus estimates.

Q4 revenue -20%: Q4 revenue was -20% y-o-y as the company operated fewer medical clinics.

No guidance: Management declined to provide 2023 guidance.

Adjusting estimates: We are adjusting our 2023 estimates for revenue to \$11 million, from \$20 million, and for EPS to \$(0.20) from \$(0.29). Our estimates do not reflect the pending merger with Brain Scientific.

Strategic alternatives: In July 2022, the company announced that it was exploring strategic alternatives.

Announces merger with Brain Scientific: In March 2023, IMAC announced that it has executed a binding Letter of Intent to merge with Brain Scientific, Inc. (OTCQB:BRSFD), a Florida-based applied science technology company. Together, the companies would provide patients with true end-to-end neurological solutions using Brain Scientific's diagnostic and motion technologies and IMAC's regenerative rehabilitation medical services. Hassan Kotob, CEO of Brain Scientific, is expected to serve as Chairman and CEO of the combined company. Terms are still being finalized, but this is planned as a strategic merger-of-equals.

Closed clinics in Q1: In Q1 (just completed), the company decided to close four underperforming locations and sold its Louisiana Orthopedic practice. IMAC clinics provide regenerative, orthopedic, and minimally invasive procedures and therapies focused around treating sports and orthopedic injuries as an alternative to traditional surgeries for repair or joint replacement. IMAC now has ~5 medical clinics.

Sold The Back Space: In February 2021, IMAC launched The Back Space (www.back.co), which specialized in chiropractic and spinal care services inside Walmart stores. In March 2023, IMAC sold The BackSpace for an undisclosed price to Curis Functional Health.

Clinical trial progressing: IMAC is currently in clinical trials to develop a regenerative medicine stem cell product. In March 2021, it completed the first of three patient cohorts (with 5 patients in cohort #1) for the study of umbilical cord-derived allogenic mesenchymal stem cells for the treatment of bradykinesia due to Parkinson's Disease. In September 2022, it has completed patients in cohort #3 (final one in this Phase 1 trial).

Large growth opportunities: With the potential merger with Brain Scientific, a renewed focus on its remaining medical clinics, a lower cost structure, and its FDA trials, we believe IMAC is poised for solid growth opportunities in the near and longer term.

Balance sheet: The company has \$1 million in cash and no debt. We believe it has enough cash until mid-2023.

Risk/reward favorable: Maintaining our BUY rating, but lowering our 12-month price target to \$1.50 from \$4.50. This is based on a NPV analysis, representing significant upside from the current share price. We believe this valuation fairly balances out the company's risks with its high growth prospect.

Company Description

Based in Brentwood, TN, IMAC Holdings operates outpatient medical clinics that provide regenerative, orthopedic, and minimally invasive procedures and therapies to treat sports and orthopedic injuries.

United States
Healthcare

April 5, 2023

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Stock Data

| | |
|--------------------------------------|---------------|
| Exchange: | NasdaqCM |
| 52-week Range: | \$0.10 – 1.46 |
| Shares Outstanding (million): | 33 |
| Market cap (\$million): | \$4 |
| EV (\$million): | \$3 |
| Debt (\$million): | \$0 |
| Cash (\$million): | \$1 |
| Avg. Daily Trading Vol. (\$million): | \$0.1 |
| Float (million shares): | 27 |
| Short Interest (million shares): | 0.1 |
| Dividend, annual (yield): | \$0 (NA%) |

Revenues (US\$ million)

| | <u>2023E</u> <u>(Cur.)</u> | <u>2023E</u> <u>(Old)</u> | <u>2024E</u> <u>(Cur.)</u> | <u>2024E</u> <u>(Old)</u> |
|---------|-------------------------------|------------------------------|-------------------------------|------------------------------|
| Q1 Mar | 3E | 4E | 3E | |
| Q2 Jun | 3E | 5E | 3E | |
| Q3 Sep | 3E | 5E | 3E | |
| Q4 Dec | <u>3E</u> | <u>6E</u> | <u>3E</u> | |
| Total | 11E | 20E | 12E | |
| EV/Revs | 0.3x | | 0.3x | |

Earnings per Share (pro forma)

| | <u>2023E</u> <u>(Cur.)</u> | <u>2023E</u> <u>(Old)</u> | <u>2024E</u> <u>(Cur.)</u> | <u>2024E</u> <u>(Old)</u> |
|--------|-------------------------------|------------------------------|-------------------------------|------------------------------|
| Q1 Mar | (0.05)E | (0.06)E | (0.04)E | |
| Q2 Jun | (0.05)E | (0.07)E | (0.04)E | |
| Q3 Sep | (0.05)E | (0.07)E | (0.04)E | |
| Q4 Dec | <u>(0.05)E</u> | <u>(0.08)E</u> | <u>(0.04)E</u> | |
| Total | <u>(0.20)E</u> | <u>(0.29)E</u> | <u>(0.16)E</u> | |
| P/E | N/A | | N/A | |

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 11.

Exhibit 1: IMAC Holdings Overview (as of Fall 2021)

IMAC.

- ..delivers **Innovative** therapies with scientific support to prevent unnecessary surgeries and prescriptions.
- ..employs **Medical** doctors, physician assistants, and nurse practitioners to deliver all medical treatments.
- ..leads **Advancements** in life science collaboration with healthcare service delivery.
- ..commits to provide exceptional patient **Care** that is unique with high quality to each patient.



IMAC
REGENERATION CENTERS

IMAC Holdings, founded in 2015, owns and manages 18 outpatient clinics delivering orthopedic, regenerative, and minimally invasive procedures and therapies for movement-restricted conditions

| | |
|---|---|
| <p>Revenue:</p> <ul style="list-style-type: none"> 65% Medical 31% Physical Therapy 4% Chiropractic | <p>Medical Professionals:</p> <ul style="list-style-type: none"> 19 Medical 19 Physical Therapy 15 Chiropractic |
|---|---|

| | |
|--|---|
| <p>Locations:</p> <p>Illinois (3): Arlington Heights, Elgin, Naperville</p> <p>Kentucky (3): Lexington, Murray, Paducah</p> <p>Missouri (6): Chesterfield, Ozark, Springfield (2), St. Peters, Webster Groves</p> | <p>Locations:</p> <p>Florida (4): Bonita Springs, Ft. Pierce, Orlando, Tampa</p> <p>Louisiana: Baton Rouge</p> <p>Tennessee: Brentwood</p> |
|--|---|

Source: Company reports.

Exhibit 2: IMAC Q4 2022 and Recent Highlights

Corporate Highlights in Q4 2022 and Year To Date 2023:

- Completed the sale of The BackSpace to Curis Functional Health.
- Completed the third and final cohort dosing of our Phase 1 clinical study of umbilical cord-derived allogenic mesenchymal stem cells for the treatment of bradykinesia due to Parkinson's Disease.
- Sold one clinic and closed four small clinics while reducing corporate salaries and headcount.
- Executed a Letter of Intent to merge with Brain Scientific, Inc.

Source: Company reports.

Exhibit 3: IMAC Revenue and Services Mix (2022 and 2021)

| | Year Ended December 31, | |
|------------------------------|----------------------------|------------------|
| | 2022 | 2021 |
| <i>(in thousands)</i> | | |
| Revenues: | | |
| Outpatient facility services | \$ 14,824 | \$ 13,475 |
| Memberships | 684 | 656 |
| Retail clinics | 678 | 33 |
| Total revenues | \$ 16,186 | \$ 14,164 |

| | Year Ended December 31, | |
|--------------------|-------------------------|-------|
| | 2022 | 2021 |
| Revenues: | | |
| Medical treatments | 71.9% | 67.0% |
| Physical therapy | 22.1% | 28.1% |
| Chiropractic care | 4.8% | 2.8% |
| Memberships | 1.3% | 2.1% |
| | 100% | 100% |

| | Year Ended December 31, | |
|--------------------|-------------------------|---------|
| | 2022 | 2021 |
| Visits: | | |
| Physical therapy | 35,342 | 56,261 |
| Chiropractic care | 26,998 | 20,265 |
| Medical treatments | 39,916 | 39,036 |
| Other | 3,552 | 262 |
| Membership | 48,029 | 52,684 |
| | 153,837 | 168,508 |

Source: Company reports.

Exhibit 4: IMAC Strategy



→ Investment Summary

Recent growth targeting clinics at COVID-impacted valuations expected to improve future performance

Strategic initiatives with proprietary neurological research may create partnership opportunities

IMAC is positioned to leverage large and growing market with treatments directed toward the aging population

Consolidation of fragmented chiropractic industry for affordable and accessible spinal health and wellness for most afflicted population

Source: Company reports.

Exhibit 5: FDA Clinical Trial (as of Fall 2021)

PROPRIETARY DEVELOPMENT

Neurological Research

- Acquired rights to umbilical stem cell product from research university
- FDA Investigational New Drug Phase 1 Authorization received August 5, 2020
- FDA approved open enrollment November 4, 2020

Evaluate Umbilical Cord-derived Allogeneic Mesenchymal Stem Cells for the Treatment of Bradykinesia

ClinicalTrials.gov Identifier: NCT04385056

The safety and scientific validity of this study is the responsibility of the study sponsor and investigators. Listing a study does not mean it has been evaluated by the U.S. Federal Government. [Know the risks and potential benefits](#) of clinical studies and talk to your health care provider before participating. Read our [disclaimer](#) for details.

Recruitment Status: Recruiting
 First Posted: May 12, 2020
 Last Update Posted: January 8, 2021
[See Contacts and Locations](#)

Sponsor:
 IMAC Holdings, Inc.

Information provided by (Responsible Party):
 IMAC Holdings, Inc.

Study Details | Tabular View | No Results Posted | Disclaimer | How to Read a Study Record

Study Description

Brief Summary:
 Investigate the safety and tolerability of umbilical cord-derived allogeneic mesenchymal stem cells to treat patients with Bradykinesia.

| Condition or disease | Intervention/treatment | Phase |
|----------------------|------------------------|---------|
| Bradykinesia | Biological: MSCTC-0010 | Phase 1 |

Detailed Description:
 While the pathophysiological changes that result in the symptoms of bradykinesia are poorly understood, an inflammatory component appears to be involved. Human umbilical cord-derived allogeneic mesenchymal stem cells have documented anti-inflammatory properties, which suggest these cells may be effective at treating Bradykinesia. It is understood that perinatal products are potent immune modulators. It is believed that the positive symptomatic effects are secondary to the modulation of the immune system, and specifically the reduction in pathological inflammation. The study is designed to evaluate the safety and tolerability of umbilical cord-derived allogeneic mesenchymal stem cells to treat patients with Bradykinesia.

Phase I Clinical Trial

- Investigator-initiated trial: IMAC medical doctors approved as Investigators for trial
- Opens door to possible Regenerative Medicine Advanced Therapy designation and research grant
- 15-patient trial conducted in 3 IMAC clinics during 12-month study
- First patient dose administered December, 2020
- Completion of first cohort of trial February, 2021
- Second cohort start of trial started August, 2021



Mesenchymal Stem Cells for Bradykinesia due to Parkinson's Disease

IMAC Holdings, Inc. Announces Completion of Third Cohort of its Phase 1 Clinical Study of Umbilical Cord-Derived Mesenchymal Stem Cells for the Treatment of Bradykinesia Due to Parkinson's Disease

September 9, 2022

BRENTWOOD, Tenn., Sept. 09, 2022 (GLOBE NEWSWIRE) -- IMAC Holdings, Inc. (Nasdaq: BACK) ("IMAC" or "the Company"), today announces it has completed the third cohort of its Phase 1 clinical trial for its investigational compound utilizing umbilical cord-derived allogeneic mesenchymal stem cells for the treatment of bradykinesia due to Parkinson's disease.

Source: Company reports.

Exhibit 6: Announced Merger With Brain Scientific (March 20, 2023)

IMAC Holdings and Brain Scientific Announce a Strategic Merger to Create Synergistic End-To-End Neurological Solution

March 20, 2023

Combined company will provide total solutions, from diagnosis to treatment, for patients with neurological disorders including Parkinson's, Alzheimer's, and stroke.

BRENTWOOD, Tenn. and LAKEWOOD RANCH, Fla., March 20, 2023 (GLOBE NEWSWIRE) -- IMAC Holdings, Inc. ("IMAC")(Nasdaq: BACK), a regenerative rehabilitation company focused on treating musculoskeletal and neurodegenerative disease, and [Brain Scientific, Inc.](#) ("Brain Scientific") ([OTCQB:BRSEF](#)), a Florida-based applied science technology company, jointly announced today that they have executed a binding Letter of Intent to combine companies in a strategic merger-of-equals (the "Transaction").

Together, the companies would provide patients with true end-to-end neurological solutions using Brain Scientific's diagnostic and motion technologies and IMAC's regenerative rehabilitation medical services. Hassan Kotob, Chief Executive Officer of Brain Scientific, is expected to serve as Chairman and CEO of the combined company.

"We believe that the combination of IMAC and Brain Scientific would be a match that provides a pathway to become a leader, a destination, and trusted brand in the growing field of neuro deficit disorders, diagnosis and treatment," said Jeff Ervin, CEO of IMAC. "Brain Scientific is developing an encouraging distribution pipeline of their 510(k) and CE cleared products and, under Hassan's leadership, we anticipate expense synergies and expanded service outlets will benefit all stakeholders."

IMAC is comprised of two business segments: outpatient medical centers and a clinical research division. IMAC owns or manages outpatient medical clinics that deliver regenerative rehabilitation services as a minimally invasive approach to acute and chronic musculoskeletal and neurological health problems. IMAC's research division is currently conducting a Phase I clinical trial evaluating a mesenchymal stem cell therapy candidate for bradykinesia due to Parkinson's disease.

Brain Scientific has over 24 patents, FDA and CE certification. Brain Scientific's disposable NeuroCap and portable NeuroEEG enable neurologists to save time, see more patients, and eliminate contamination risks. The company's neurology ecosystem provides clinicians and patients confidence in gaining rapid access to accurate EEG test results, making testing more efficient and allowing clinicians to focus on test readings rather than the labor-intensive application process of current electrode placement technology.

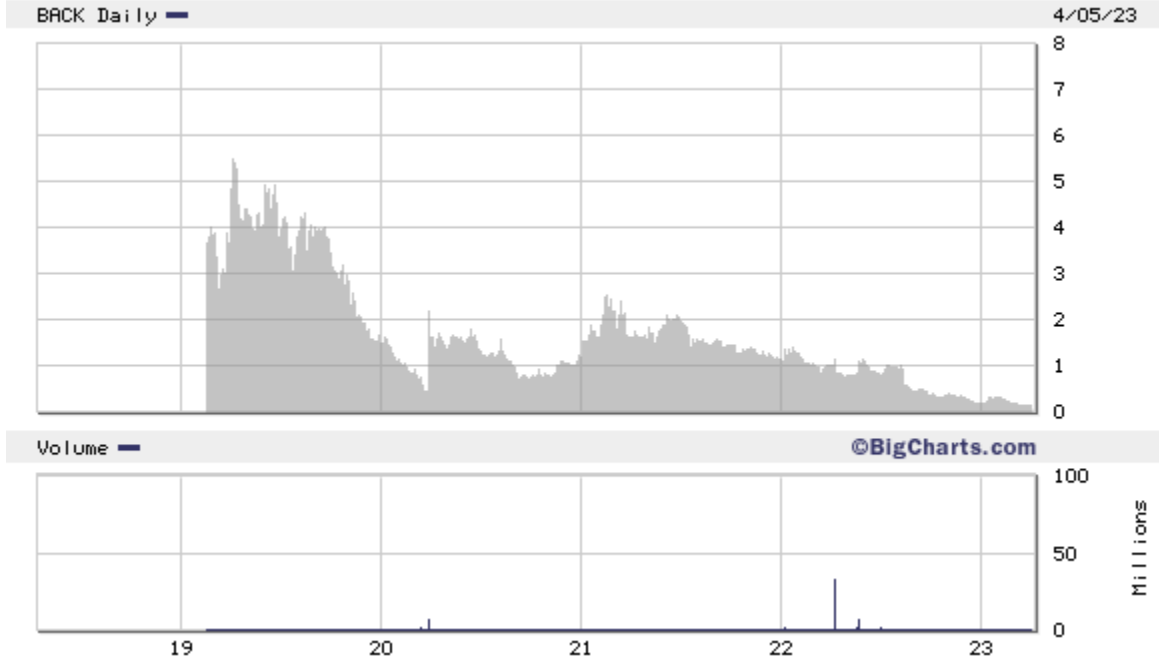
"At Brain Scientific, we are accelerating the time to prep, test, and read EEG studies anytime and are finally bringing EEG testing to remote locations and in the field," said Mr. Kotob. "We believe that a Brain Scientific and IMAC merger would allow us to accelerate our growth and expand into new channels and markets to provide those suffering from neurological disorders with the best care possible."

About Brain Scientific, Inc.

Brain Scientific Inc. ([brainscientific.com](#)) is an applied sciences technology company with multiple patents and FDA-cleared products. Brain Scientific is committed to developing next-gen solutions that advance the future of medical and OEM devices. Brain Scientific has two product lines covering neurology and precision motion. The NeuroCap™ and NeuroEEG™ are smart neurological diagnostic devices that simplify administration, shorten scan time, and cut costs. The [Piezo Motion](#) product line consists of ultra-efficient compact precision motors that will drive the next generation of OEM devices. To learn more about Brain Scientific's corporate strategy, products, or investor relations, please visit [brainscientific.com](#).

Source: Company reports.

Exhibit 7: IMAC Holdings, Inc. Stock Price (4-year since IPO February 2019)



Source: <https://bigcharts.marketwatch.com/>

FINANCIAL MODEL

IMAC Holdings, Inc.

| Income Statement (\$ mils) | Mar-21 | Jun-21 | Sep-21 | Dec-21 | 2021 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | 2022 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | 2023 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | 2024 |
|----------------------------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Fiscal Year End: December 31 | Q1A | Q2A | Q3A | Q4A | FY-A | Q1A | Q2A | Q3A | Q4A | FY-A | Q1E | Q2E | Q3E | Q4E | FY-E | Q1E | Q2E | Q3E | Q4E | FY-E |
| Total Revenue | 3.1 | 3.5 | 3.5 | 4.4 | 14.4 | 3.9 | 5.0 | 3.8 | 3.5 | 16.2 | 2.7 | 2.8 | 2.8 | 3.0 | 11.3 | 2.9 | 2.9 | 3.0 | 3.1 | 11.8 |
| Patient expenses | 0.3 | 0.3 | 0.4 | 0.6 | 1.6 | 0.5 | 0.4 | 0.3 | 0.4 | 1.5 | 0.3 | 0.3 | 0.3 | 0.3 | 1.1 | 0.3 | 0.3 | 0.3 | 0.3 | 1.2 |
| Salaries and benefits | 2.8 | 3.0 | 3.4 | 3.6 | 12.7 | 3.7 | 3.8 | 3.3 | 3.7 | 14.5 | 2.0 | 2.2 | 2.3 | 2.4 | 8.9 | 2.2 | 2.2 | 2.3 | 2.4 | 9.0 |
| Share-based compensation | 0.1 | 0.1 | 0.2 | 0.1 | 0.6 | 0.2 | 0.1 | 0.1 | (0.4) | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.5 | 0.1 | 0.1 | 0.1 | 0.1 | 0.5 |
| Advertising and marketing | 0.3 | 0.3 | 0.3 | 0.4 | 1.3 | 0.4 | 0.2 | 0.2 | 0.2 | 1.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.8 | 0.2 | 0.2 | 0.2 | 0.2 | 0.8 |
| General and administrative | 1.2 | 1.7 | 1.6 | 1.9 | 6.4 | 1.8 | 1.9 | 1.9 | 1.7 | 7.3 | 1.4 | 1.4 | 1.4 | 1.5 | 5.6 | 1.1 | 1.2 | 1.2 | 1.2 | 4.7 |
| Depreciation and amortization | 0.4 | 0.4 | 0.5 | 0.3 | 1.6 | 0.4 | 0.4 | 0.5 | 0.3 | 1.6 | 0.3 | 0.3 | 0.3 | 0.3 | 1.0 | 0.3 | 0.3 | 0.3 | 0.3 | 1.0 |
| Restructuring and other | | | | 0.1 | 0.1 | 0.0 | 0.0 | 3.8 | 4.5 | 8.4 | | | | | 0.0 | | | | | 0.0 |
| Total operating expenses | 5.1 | 5.9 | 6.3 | 7.2 | 24.5 | 7.0 | 6.8 | 10.1 | 10.5 | 34.5 | 4.2 | 4.4 | 4.5 | 4.7 | 17.9 | 4.2 | 4.2 | 4.3 | 4.5 | 17.3 |
| Operating income (loss) | (2.0) | (2.4) | (2.8) | (2.9) | (10.1) | (3.1) | (1.8) | (6.3) | (7.0) | (18.3) | (1.5) | (1.7) | (1.7) | (1.8) | (6.7) | (1.3) | (1.3) | (1.4) | (1.4) | (5.4) |
| Interest income (expense) | (0.2) | (0.1) | (0.1) | (0.1) | (0.5) | (0.0) | (0.0) | (0.0) | 0.0 | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) | (0.0) |
| Other income (expense) | 0.2 | 0.5 | 1.2 | (1.9) | 0.1 | (0.0) | (0.0) | 0.0 | 0.0 | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Income before income taxes | (2.0) | (2.0) | (1.7) | (4.8) | (10.5) | (3.2) | (1.8) | (6.3) | (7.0) | (18.3) | (1.5) | (1.7) | (1.7) | (1.8) | (6.7) | (1.3) | (1.3) | (1.4) | (1.4) | (5.4) |
| Income taxes | | | | | 0.0 | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net income (loss) | (2.0) | (2.0) | (1.7) | (4.8) | (10.5) | (3.2) | (1.8) | (6.3) | (7.0) | (18.3) | (1.5) | (1.7) | (1.7) | (1.8) | (6.7) | (1.3) | (1.3) | (1.4) | (1.4) | (5.4) |
| Nonrecurring/noncash adjustments | | | | | 0.0 | | | 3.8 | 4.5 | 8.3 | | | | | 0.0 | | | | | 0.0 |
| Net income (pro forma) | (2.0) | (2.0) | (1.7) | (4.8) | (10.5) | (3.2) | (1.8) | (2.5) | (2.5) | (10.0) | (1.5) | (1.7) | (1.7) | (1.8) | (6.7) | (1.3) | (1.3) | (1.4) | (1.4) | (5.4) |
| EBITDA | (1.3) | (1.3) | (0.9) | (4.2) | (7.7) | (2.5) | (1.2) | (5.8) | (7.1) | (16.6) | (1.1) | (1.3) | (1.3) | (1.4) | (5.2) | (0.9) | (1.0) | (1.0) | (1.0) | (3.9) |
| Shares, Basic | 13.4 | 25.1 | 25.3 | 26.2 | 22.6 | 26.4 | 26.8 | 27.4 | 33.0 | 28.3 | 33.2 | 33.3 | 33.4 | 33.5 | 33.4 | 33.7 | 33.8 | 33.9 | 34.0 | 33.9 |
| Shares, Diluted | 13.4 | 25.1 | 25.3 | 26.2 | 22.6 | 26.4 | 26.8 | 27.4 | 33.0 | 28.3 | 33.2 | 33.3 | 33.4 | 33.5 | 33.4 | 33.7 | 33.8 | 33.9 | 34.0 | 33.9 |
| EPS Basic (pro forma) | (\$0.15) | (\$0.08) | (\$0.07) | (\$0.19) | (\$0.47) | (\$0.12) | (\$0.07) | (\$0.09) | (\$0.07) | (\$0.35) | (\$0.05) | (\$0.05) | (\$0.05) | (\$0.05) | (\$0.20) | (\$0.04) | (\$0.04) | (\$0.04) | (\$0.04) | (\$0.16) |
| EPS Diluted (pro forma) | (\$0.15) | (\$0.08) | (\$0.07) | (\$0.19) | (\$0.47) | (\$0.12) | (\$0.07) | (\$0.09) | (\$0.07) | (\$0.35) | (\$0.05) | (\$0.05) | (\$0.05) | (\$0.05) | (\$0.20) | (\$0.04) | (\$0.04) | (\$0.04) | (\$0.04) | (\$0.16) |
| Margins | | | | | | | | | | | | | | | | | | | | |
| Patient expenses | 11% | 10% | 10% | 13% | 11% | 12% | 8% | 7% | 11% | 9% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% |
| Salaries and benefits | 90% | 86% | 96% | 83% | 89% | 95% | 75% | 88% | 107% | 90% | 75% | 80% | 80% | 80% | 79% | 76% | 76% | 76% | 76% | 76% |
| Share-based compensation | 4% | 4% | 5% | 3% | 4% | 5% | 2% | 2% | -10% | 0% | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 4% |
| Advertising and marketing | 9% | 9% | 8% | 10% | 9% | 10% | 5% | 6% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% | 7% |
| General and administrative | 40% | 48% | 46% | 45% | 45% | 47% | 37% | 49% | 50% | 45% | 50% | 50% | 50% | 50% | 50% | 40% | 40% | 40% | 40% | 40% |
| Operating margin | -67% | -70% | -79% | -66% | -70% | -81% | -36% | -168% | -201% | -113% | -56% | -60% | -60% | -60% | -59% | -46% | -46% | -46% | -45% | -46% |
| Tax rate, GAAP | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Net margin | -65% | -58% | -49% | -111% | -73% | -81% | -37% | -167% | -201% | -113% | -56% | -60% | -60% | -60% | -59% | -46% | -46% | -46% | -45% | -46% |
| Y/Y % change | | | | | | | | | | | | | | | | | | | | |
| Total Revenue | -8% | 35% | 1% | 26% | 12% | 27% | 45% | 8% | -20% | 13% | -30% | -45% | -25% | -15% | -30% | 5% | 5% | 5% | 5% | 5% |
| Patient expenses | -10% | -16% | -16% | 43% | 0% | 35% | 17% | -23% | -37% | -7% | -41% | -30% | 1% | -20% | -25% | 5% | 5% | 5% | 5% | 5% |
| Salaries and benefits | -6% | 28% | 29% | 38% | 21% | 35% | 26% | -1% | 2% | 14% | -45% | -41% | -32% | -36% | -39% | 6% | 0% | 0% | 0% | 1% |
| Share-based compensation | 36% | 1% | 74% | 84% | 46% | 71% | -35% | -55% | -339% | -100% | -42% | 37% | 35% | -133% | #DIV/0! | 5% | 5% | 5% | 5% | 5% |
| Advertising and marketing | 10% | 81% | 25% | 59% | 42% | 40% | -23% | -17% | -46% | -17% | -48% | -20% | -19% | -15% | -28% | 5% | 5% | 5% | 5% | 5% |
| General and administrative | -1% | 37% | 67% | 69% | 41% | 49% | 12% | 16% | -10% | 13% | -25% | -26% | -24% | -15% | -23% | -16% | -16% | -16% | -16% | -16% |
| Operating income (loss) | -3% | 41% | 112% | 96% | 56% | 53% | -25% | 129% | 144% | 81% | -52% | -7% | -73% | -75% | -64% | -13% | -20% | -20% | -20% | -19% |
| Net income (loss) | 15% | -2% | 19% | -2654% | 111% | 59% | -8% | 271% | 44% | 74% | -52% | -9% | -73% | -75% | -64% | -13% | -20% | -20% | -20% | -19% |
| EPS Diluted (pro forma) | -18% | -60% | -44% | -1328% | 3% | -19% | -13% | 34% | -60% | -25% | -62% | -27% | -43% | -30% | -43% | -14% | -21% | -21% | -21% | -20% |

Source: Company reports and Ascendant Capital Markets estimates.

IMAC Holdings, Inc.

| Balance Sheet (\$ mils) | Mar-21 | Jun-21 | Sep-21 | Dec-21 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|
| Fiscal Year End: December 31 | Q1A | Q2A | Q3A | Q4A | Q1A | Q2A | Q3A | Q4A | Q1E | Q2E | Q3E | Q4E | Q1E | Q2E | Q3E | Q4E |
| Assets | | | | | | | | | | | | | | | | |
| Cash and cash equivalents | 15.6 | 13.6 | 11.2 | 7.1 | 4.3 | 1.6 | 2.8 | 0.8 | 1.7 | 0.1 | (1.3) | (3.1) | (4.4) | (6.1) | (7.4) | (9.2) |
| Short term investments | | | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Accounts receivable, net | 1.8 | 1.3 | 1.2 | 1.2 | 1.7 | 3.1 | 3.2 | 2.9 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.9 |
| Deferred income taxes | | | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Short-term note receivable | | | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Prepaid expenses and other | 0.8 | 1.3 | 1.2 | 0.7 | 0.7 | 0.7 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 |
| Total current assets | 18.3 | 16.3 | 13.5 | 9.1 | 6.7 | 5.4 | 6.5 | 4.2 | 3.1 | 1.4 | 0.1 | (1.6) | (3.0) | (4.7) | (6.0) | (7.7) |
| Property and equipment, net | 1.8 | 1.9 | 1.8 | 2.3 | 2.3 | 2.1 | 1.8 | 1.6 | 1.4 | 1.4 | 1.2 | 1.3 | 1.4 | 1.9 | 1.9 | 2.4 |
| Intangibles, net | 8.9 | 8.8 | 8.5 | 10.5 | 10.2 | 10.0 | 5.9 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 |
| Deferred income tax | | | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Security deposits | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Other | 4.2 | 5.2 | 5.0 | 5.0 | 4.7 | 4.3 | 4.0 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 | 3.6 |
| Total assets | 33.6 | 32.5 | 29.2 | 27.2 | 24.2 | 22.1 | 18.5 | 11.1 | 9.7 | 8.2 | 6.6 | 5.0 | 3.7 | 2.5 | 1.3 | 0.0 |
| Liabilities and stockholders' equity | | | | | | | | | | | | | | | | |
| Accounts payable | 2.0 | 1.4 | 1.8 | 2.5 | 3.0 | 2.1 | 1.6 | 1.7 | 1.6 | 1.7 | 1.7 | 1.8 | 1.7 | 1.7 | 1.8 | 1.9 |
| Accrued expenses | 0.4 | 0.3 | 0.4 | 0.4 | 0.3 | 0.4 | 0.2 | | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 |
| Patient deposits | 0.4 | 0.4 | 0.5 | 0.3 | 0.3 | 0.5 | 0.6 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Acquisition liabilities | | | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Deferred income tax | | | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating lease | 1.2 | 1.4 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 |
| Short term debt | 2.6 | 1.9 | 1.1 | 0.3 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total current liabilities | 6.6 | 5.4 | 5.4 | 4.9 | 5.2 | 4.6 | 3.9 | 3.7 | 3.8 | 3.8 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 4.0 |
| Deferred income taxes | | | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Warrant liabilities | | | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other long term liabilities | 0.5 | 0.2 | 0.2 | 0.2 | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating lease | 3.5 | 4.3 | 4.0 | 4.0 | 3.7 | 3.3 | 3.0 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 |
| Long term debt | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total other liabilities | 4.2 | 4.7 | 4.3 | 4.3 | 4.0 | 3.4 | 3.1 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 | 2.7 |
| Preferred stock | | | | | | | | | | | | | | | | |
| Common stock | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.2 | 0.3 | 0.4 | 0.5 | 0.6 | 0.7 | 0.8 |
| Additional paid-in capital | 42.7 | 44.8 | 44.8 | 46.1 | 46.3 | 47.3 | 51.1 | 51.1 | 51.1 | 51.1 | 51.1 | 51.1 | 51.1 | 51.1 | 51.1 | 51.1 |
| Retained earnings | (17.0) | (19.0) | (20.8) | (28.2) | (31.4) | (33.2) | (39.5) | (46.5) | (48.0) | (49.7) | (51.4) | (53.2) | (54.5) | (55.8) | (57.2) | (58.6) |
| Accumulated other comprehensive income | | | | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-controlling interest | (2.9) | (3.4) | (4.6) | | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total stockholders' equity | 22.8 | 22.4 | 19.5 | 18.0 | 15.0 | 14.1 | 11.6 | 4.7 | 3.2 | 1.6 | 0.0 | (1.7) | (2.9) | (4.1) | (5.4) | (6.7) |
| Total stockholders' equity and liabil | 33.6 | 32.5 | 29.2 | 27.2 | 24.2 | 22.1 | 18.5 | 11.1 | 9.7 | 8.2 | 6.6 | 5.0 | 3.7 | 2.5 | 1.3 | 0.0 |

Balance Sheet Drivers

| | Mar-21 | Jun-21 | Sep-21 | Dec-21 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|
| | Q1A | Q2A | Q3A | Q4A | Q1A | Q2A | Q3A | Q4A | Q1E | Q2E | Q3E | Q4E | Q1E | Q2E | Q3E | Q4E |
| Prepaid as % of total rev | 28% | 38% | 34% | 17% | 17% | 14% | 13% | 16% | 22% | 22% | 22% | 22% | 22% | 22% | 22% | 22% |
| Accounts payable as % of total rev | 66% | 40% | 52% | 58% | 77% | 42% | 42% | 49% | 60% | 60% | 60% | 60% | 60% | 60% | 60% | 60% |
| Accrued expenses as % of total rev | 12% | 10% | 11% | 8% | 8% | 8% | 5% | 0% | 5% | 5% | 5% | 5% | 5% | 5% | 5% | 5% |
| Activity Ratios | | | | | | | | | | | | | | | | |
| A/R Days Sales Outstanding | 54 | 35 | 30 | 25 | 40 | 55 | 75 | 75 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| Book & Cash Value (per share) | | | | | | | | | | | | | | | | |
| Book Value per Share (diluted) | \$1.70 | \$0.89 | \$0.77 | \$0.69 | \$0.57 | \$0.53 | \$0.42 | \$0.14 | \$0.10 | \$0.05 | \$0.00 | -\$0.05 | -\$0.09 | -\$0.12 | -\$0.16 | -\$0.20 |
| Cash per Share (diluted) | \$1.16 | \$0.54 | \$0.44 | \$0.27 | \$0.16 | \$0.06 | \$0.10 | \$0.02 | \$0.05 | \$0.00 | -\$0.04 | -\$0.09 | -\$0.13 | -\$0.18 | -\$0.22 | -\$0.27 |
| Net cash per Share (diluted) | \$0.95 | \$0.46 | \$0.39 | \$0.26 | \$0.16 | \$0.05 | \$0.10 | \$0.02 | \$0.05 | \$0.00 | -\$0.04 | -\$0.09 | -\$0.13 | -\$0.18 | -\$0.22 | -\$0.27 |

Source: Company reports and Ascendant Capital Markets estimates

IMAC Holdings, Inc.

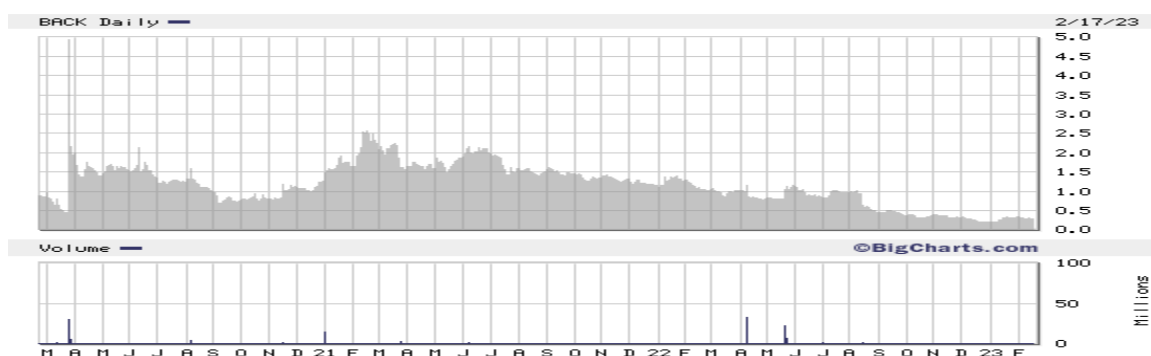
| Cash Flow Statement (\$ mils) | Mar-21 | Jun-21 | Sep-21 | Dec-21 | 2021 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | 2022 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | 2023 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | 2024 | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|
| Fiscal Year End: December 31 | Q1A | Q2A | Q3A | Q4A | FY-A | Q1A | Q2A | Q3A | Q4A | FY-A | Q1E | Q2E | Q3E | Q4E | FY-E | Q1E | Q2E | Q3E | Q4E | FY-E | |
| Cash flow from operating activities | | | | | | | | | | | | | | | | | | | | | |
| Net income | (2.2) | (2.5) | (2.9) | (2.9) | (10.5) | (3.2) | (1.8) | (6.3) | (7.0) | (18.3) | (1.5) | (1.7) | (1.7) | (1.8) | (6.7) | (1.3) | (1.3) | (1.4) | (1.4) | (5.4) | |
| Depreciation | 0.4 | 0.4 | 0.5 | 0.3 | 1.6 | 0.4 | 0.4 | 0.5 | 0.3 | 1.6 | 0.3 | 0.3 | 0.3 | 0.3 | 1.0 | 0.3 | 0.3 | 0.3 | 0.3 | 1.0 | |
| Amortization | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | |
| Debt related amortization expense | | | | 0.3 | 0.3 | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | |
| Stock comp | 0.1 | 0.1 | 0.2 | 0.1 | 0.6 | 0.2 | 0.1 | 0.1 | 0.1 | 0.4 | 0.1 | 0.1 | 0.1 | 0.1 | 0.4 | 0.1 | 0.1 | 0.1 | 0.1 | 0.4 | |
| Deferred rent | | | | | | | | | | | | | | | | | | | | | |
| Inventory reserve | | | | | | | | | | | | | | | | | | | | | |
| Deferred income taxes | | | | | 0.0 | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Change in fair value of warrant liability | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | |
| Writedowns and impairments | | | | | 0.0 | | | 3.9 | 4.4 | 8.3 | | | | | 0.0 | | | | | 0.0 | |
| Other gains/losses | 0.0 | (0.0) | 0.1 | 0.0 | 0.1 | 0.0 | 0.0 | (0.1) | 0.1 | 0.1 | | | | 0.0 | | | | | 0.0 | | |
| Other | | | | | 0.0 | | 0.0 | (0.0) | | 0.0 | | | | 0.0 | | | | | | 0.0 | |
| Changes in operating assets and liabilities: | | | | | | | | | | | | | | | | | | | | | |
| Accounts receivable | (0.3) | 0.5 | 0.2 | (0.1) | 0.3 | (0.5) | (1.3) | (0.1) | 0.3 | (1.7) | 2.1 | (0.0) | (0.0) | (0.0) | 2.1 | 0.0 | (0.0) | (0.0) | (0.0) | (0.0) | |
| Inventory | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | |
| Prepaid expenses & other current assets | | | | | 0.0 | | | | | 0.0 | (0.0) | (0.0) | (0.0) | (0.0) | (0.1) | 0.0 | (0.0) | (0.0) | (0.0) | (0.0) | |
| Income tax | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | |
| Other assets | (0.2) | (0.5) | (0.0) | 0.5 | (0.1) | 0.0 | (0.0) | 0.2 | (0.1) | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Accounts payable | 0.3 | (0.6) | 0.5 | 0.1 | 0.3 | 0.5 | (0.9) | (0.5) | 0.1 | (0.8) | (0.1) | 0.0 | 0.0 | 0.1 | 0.1 | (0.1) | 0.0 | 0.0 | 0.1 | 0.1 | |
| Patient deposits | 0.1 | (0.0) | 0.1 | (0.2) | 0.0 | 0.0 | 0.2 | 0.0 | (0.3) | (0.1) | 0.1 | 0.0 | 0.0 | 0.0 | 0.1 | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 | |
| Deferred revenue | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | |
| Other liabilities | | | | (0.2) | (0.2) | | (0.0) | (0.1) | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Net cash (used in) provided by | (1.7) | (2.6) | (1.4) | (1.8) | (7.6) | (2.4) | (3.4) | (2.4) | (2.1) | (10.3) | 1.0 | (1.3) | (1.3) | (1.4) | (3.1) | (1.0) | (1.0) | (1.0) | (1.0) | (4.0) | |
| Cash flow from investing activities | | | | | | | | | | | | | | | | | | | | | |
| Purchases of property and equi | (0.1) | (0.2) | (0.1) | (0.3) | (0.7) | (0.2) | (0.0) | (0.0) | (0.0) | (0.3) | (0.0) | (0.3) | (0.0) | (0.3) | (0.8) | (0.3) | (0.8) | (0.3) | (0.8) | (2.2) | |
| Purchases of short-term investments | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | |
| Acquisitions | (0.6) | (0.2) | | (1.0) | (1.7) | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | |
| Other | (0.1) | (0.0) | 0.0 | 0.0 | (0.0) | 0.0 | | 0.1 | 0.0 | 0.1 | | | | 0.0 | | | | | | 0.0 | |
| Net cash used in investing activ | (0.7) | (0.4) | (0.1) | (1.3) | (2.5) | (0.2) | (0.0) | 0.0 | (0.0) | (0.3) | (0.0) | (0.3) | (0.0) | (0.3) | (0.8) | (0.3) | (0.8) | (0.3) | (0.8) | (2.2) | |
| Cash flow from financing activities | | | | | | | | | | | | | | | | | | | | | |
| Issuance of debt | | | | | 0.0 | | | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Repayment of debt | (1.8) | (0.8) | (0.9) | (0.9) | (4.5) | (0.2) | (0.0) | (0.0) | (0.0) | (0.3) | | | | 0.0 | | | | | | 0.0 | |
| Issuance of stock | 17.2 | 1.8 | | | 19.0 | | 0.8 | 3.6 | 0.1 | 4.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Proceeds from stock option exercises | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | |
| Other | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | |
| Dividends and distributions | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | |
| Cash provided by (used in) fina | 15.4 | 0.9 | (0.9) | (0.9) | 14.5 | (0.2) | 0.8 | 3.5 | 0.0 | 4.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Effect of exchange rate on cash | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | | | | | 0.0 | |
| Net increase (decrease) in cash | 13.0 | (2.0) | (2.4) | (4.1) | 4.5 | (2.8) | (2.7) | 1.2 | (2.1) | (6.4) | 0.9 | (1.6) | (1.4) | (1.7) | (3.8) | (1.3) | (1.7) | (1.3) | (1.8) | (6.2) | |
| Beginning cash and equivalents | 2.6 | 15.6 | 13.6 | 11.2 | 2.6 | 7.1 | 4.3 | 1.6 | 2.8 | 7.1 | 0.8 | 1.7 | 0.1 | (1.3) | 0.8 | (3.1) | (4.4) | (6.1) | (7.4) | (3.1) | |
| Ending cash and equivalents | 15.6 | 13.6 | 11.2 | 7.1 | 7.1 | 4.3 | 1.6 | 2.8 | 0.8 | 0.8 | 1.7 | 0.1 | (1.3) | (3.1) | (3.1) | (4.4) | (6.1) | (7.4) | (9.2) | (9.2) | |

Source: Company reports and Ascendant Capital Markets estimates

ANALYST CERTIFICATION

Each analyst hereby certifies that the views expressed in this report reflect the analyst's personal views about the subject securities or issuers. Each analyst also certifies that no part of the analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report. The analyst who prepared this report is compensated based upon the overall profitability of Ascendant Capital Markets, LLC, which may, from time to time, include the provision of investment banking, financial advisory and consulting services. Compensation for research is based on effectiveness in generating new ideas for clients, performance of recommendations, accuracy of earnings estimates, and service to clients.

IMAC Holdings, Inc.



<https://bigcharts.marketwatch.com/>

| | Report Date | | Price |
|--------|-------------|--------|--------|
| Report | Date | Rating | Target |
| 1 | 4/14/2020 | Buy | 4.50 |
| 2 | 5/17/2020 | Buy | 4.25 |
| 3 | 8/18/2020 | Buy | 4.50 |
| 4 | 11/15/2020 | Buy | 4.75 |
| 5 | 3/13/2021 | Buy | 5.00 |
| 6 | 5/19/2021 | Buy | 5.25 |
| 7 | 8/27/2021 | Buy | 5.50 |
| 8 | 11/22/2021 | Buy | 5.75 |
| 9 | 4/16/2022 | Buy | 6.00 |
| 10 | 5/14/2022 | Buy | 5.50 |
| 11 | 8/31/2022 | Buy | 5.00 |
| 12 | 12/6/2022 | Buy | 4.50 |

- Ascendant Capital Markets, LLC has received compensation for advisory or investment banking services from the company in the past 12 months.

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Risks to attainment of our share price target include balance sheet/liquidity risks, failure of product candidates to demonstrate safety and efficacy in clinical trials/studies, failure to gain/maintain regulatory approvals/licenses to operate, ability to find new or maintain existing patients for its services, failure to obtain suitable reimbursements, competition, changing macroeconomic factors, investor sentiment for investing in healthcare stocks, and changes in consumer or government priorities for healthcare.

Ascendant Capital Markets, LLC Rating System

BUY: We expect the stock to provide a total return of 15% or more within a 12-month period.

HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Ascendant Capital Markets, LLC Distribution of Investment Ratings (as of January 15, 2023)

| Rating | Count | Percent | Investment Banking Services Past 12 months | |
|--------|-------|---------|---|---------|
| | | | Count | Percent |
| Buy | 44 | 98% | 18 | 41% |
| Hold | 0 | 0% | 0 | 0% |
| Sell | 1 | 2% | 0 | 0% |
| Total | 45 | 100% | 18 | 40% |

Other Important Disclosures

Our analysts use various valuation methodologies including discounted cash flow, price/earnings (P/E), enterprise value/EBITDAS, and P/E to growth rate, among others. Risks to our price targets include failure to achieve financial results, product risk, regulatory risk, general market conditions, and the risk of a change in economic conditions.

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